

## House Resolution 1604 (RULES COMMITTEE SUBSTITUTE)

By: Representative Lewis of the 15<sup>th</sup>

## A RESOLUTION

1 Recognizing the vital role electric generation peaking facilities serve in Georgia as a  
2 backstop for the regional power grid during times of emergency, fuel supply interruptions,  
3 or extreme demand; and for other purposes.

4 WHEREAS, a reliable and affordable supply of energy is essential to the well-being and  
5 economic prosperity of the citizens of Georgia; and

6 WHEREAS, Georgia's energy infrastructure and supply were disrupted in the wake of  
7 Hurricanes Katrina and Rita in August and September of 2005; and

8 WHEREAS, the damage to Georgia's energy infrastructure demonstrated the importance of  
9 a diverse and robust energy supply system not dependent upon a particular fuel or  
10 technology; and

11 WHEREAS, on October 3, 2005, Governor Sonny Perdue issued a call for the development  
12 of a comprehensive energy plan that encourages greater diversity and reliability of Georgia's  
13 energy supply; and

14 WHEREAS, since the late 1990s wholesale and retail prices for natural gas, petroleum, fuel  
15 oils, and coal have been increasingly volatile as a result of reduced supplies and growing  
16 demand; and

17 WHEREAS, electric generating peaking facilities in this state stand ready to play a  
18 significant role in the state's energy plan and portfolio, particularly in times of emergency,  
19 fuel supply interruptions, or extreme demand; and

20 WHEREAS, electric peaking facilities serve as a backstop for the regional power grid during  
21 events of system upset, emergency, and extreme demand; and

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1 WHEREAS, numerous electric peaking facilities in Georgia are each capable of supplying  
2 the electricity needs of several hundred thousand households; and

3 WHEREAS, electric peaking facilities are designed to be available on short notice and can  
4 operate in a broad range of conditions; and

5 WHEREAS, some electric peaking facilities are designed to utilize natural gas as a primary  
6 fuel and have on-site storage for fuel oil as a backup fuel; and

7 WHEREAS, these peaking facilities operate under air quality permits from the Georgia  
8 Environmental Protection Division requiring that they be equipped with "Best Available  
9 Control Technology" and some of these air quality permits allow the use of fuel oil as a  
10 backup fuel to be utilized under specific conditions; and

11 WHEREAS, in order for these peaking facilities to be a strategic energy resource, they must  
12 be allowed to operate in a manner consistent with their design, the protection of Georgia's  
13 air quality, and contractual obligations; and

14 WHEREAS, the Georgia Environmental Protection Division's rules currently restrict fuel oil  
15 use in some peaking facilities by imposing emissions standards that are more stringent than  
16 can be achieved by the best available control technology, effectively preventing the use of  
17 backup and emergency fuel supplies during much of the hurricane season or periods of  
18 extreme demand; and

19 WHEREAS, without the ability to use fuel oil as a back-up in emergencies or periods of  
20 extreme demand that occur from May 1 through September 30 each year, the role of peaking  
21 plants as energy emergency responders is compromised; and

22 WHEREAS, following Hurricane Katrina, regional natural gas infrastructure was damaged  
23 and natural gas supplies were disrupted, affecting many baseload power plants and  
24 necessitating the use of peaking facilities to meet load requirements; and

25 WHEREAS, the post-Katrina events demonstrate that the natural gas supply is interruptible  
26 throughout the year and operation on backup fuel oil in peaking plants is at times necessary  
27 to maintain a reliable electric energy supply for Georgia; and

1 WHEREAS, the air quality in the Atlanta area and Georgia has improved in the last five  
2 years; and

3 WHEREAS, given proper control technology, fuel oil operation can be accomplished in an  
4 environmentally responsible manner without degrading the air in the Atlanta area or Georgia  
5 while ensuring that Georgia and the region gain full benefit from these existing and critically  
6 important power generating assets; and

7 WHEREAS, reevaluating the Georgia Environmental Protection Division's restrictions on  
8 the use of fuel oil in these peaking facilities will not cause the air quality in the Atlanta area  
9 or Georgia to be adversely affected.

10 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES that  
11 this body recognizes the vital role these peaking facilities serve and the need for them to  
12 operate using fuel oil in times of distress or extreme demand to assure a reliable energy  
13 supply for Georgia.

14 BE IT FURTHER RESOLVED that the Clerk of the House of Representatives is authorized  
15 and directed to transmit an appropriate copy of this resolution to the director of the  
16 Environmental Protection Division of the Georgia Department of Natural Resources.